

Amherst Budget Coordinating Group
Summary Points – March 3, 2011

At our March 3rd meeting, the members of the Budget Coordinating Group agreed that the following points would be conveyed to our home boards and committees:

- 1) That a current best estimate suggests our revenue shortfall for FY12 will be \$1 million less than the “worst-case scenario” projections put forth in the preliminary Finance Committee guidelines. Rather than facing net State Aid reductions of \$1.7 million, we now anticipate \$0.7 million. This is not “extra money;” this is a smaller cut than anticipated, but it is still a cut.
- 2) That the Schools, Library and Town have a collective responsibility to work with the Finance Committee to recommend a sound budget and financial plan. There are competing needs for that \$1 million we no longer expect to need to cut, involving the funding of programs and services, and investment in infrastructure and financial stability. Current request scenarios (subject to change) are as follows:

Elementary School Budget	\$445,000
Regional Schools Budget	\$150,000
Town Budget	\$393,471
Library Budget	\$8,000
Capital Budget	\$250,000
Reserves	\$415,000
Untaxed Levy Capacity	\$415,000

- 3) That to address the fact that needs greatly exceed anticipated revenue, and to acknowledge the potential for revenue to exceed current estimates, each budget area is requested to divide their request totals into two categories, for consideration at the March 17th meeting:
 - a) Tier 1: Top funding priorities, should State Aid reductions be \$1 million less than projections (= we are \$1 million better off than our worst-case scenario)
 - b) Tier 2: Secondary funding priorities, should State Aid Reductions be \$1.5 million less than projections (= we are \$1.5 million better off than our worst-case scenario)
- 4) That we ask that careful consideration be given to the financial implications of Tier 1 and Tier 2 requests in FY13.

- 5) That to be prudent, we must also acknowledge that circumstances could change, and our State Aid reductions may be greater than the best estimate discussed at this meeting. Hence, we will discuss recommendations for addressing that gap: cuts, use of reserves, or a combination of the two.